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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA**

Draney Information Services Corp., WRLJ Maple
Corp., and PS Holdings, Inc.,)

Civil No. 2:09-cv-00040- LDG (VCF)

Plaintiffs,)

JOINT STATUS REPORT

v.)

United States,)

Defendant.)

United States)

Counterclaim Plaintiff,)

v.)

Draney Information Services Corp.,)

Counterclaim Defendant)

Plaintiffs Draney Information Services Corp., WRLJ Maple Corp., and PS Holdings, Inc. (collectively, "Plaintiffs") and Defendant United States, pursuant to the Court's Order of January 12, 2012, submit the following status report to describe their progress towards settlement.

As this Court is aware, Plaintiffs were engaged in discussions with the United States aimed at resolving all of the claims in this case and, on December 1, 2011, Plaintiffs submitted a formal offer of settlement to the Department of Justice. The Chief of the Civil Trial Section, Western Region, has completed his formal

1 recommendation with respect to Plaintiffs' offer, and that recommendation, along with the trial attorneys'
 2 recommendation, have been submitted to the Tax Division's Office of Review (the "Office of Review") for its
 3 evaluation and recommendation. Similarly, the Internal Revenue Service also completed its recommendation
 4 with respect to the Plaintiffs' offer, and a copy of that recommendation has been provided to the Office of
 5 Review. While under evaluation at the Office of Review, the parties agreed to certain revisions and
 6 adjustments to the settlement offer and the settlement offer was formally amended on March 28, 2012. The
 7 Office of Review completed its review of the amended settlement offer on April 9, 2012 and forwarded its
 8 favorable recommendation to the Deputy Assistant Attorney General for Appellate and Review, who is
 9 reviewing that recommendation. A final settlement will require the approval of the United States Associate
 10 Attorney General.

12 Given this status, the parties respectfully request that the Court set a May 28, 2012 deadline for a status
 13 report on the continued progress toward a final resolution.

14 Respectfully submitted,

15 Dated: May 9, 2012

16 /s/Kent A. Yalowitz
 17 Kent A. Yalowitz
 18 Arnold & Porter LLP
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 New York, New York 10022

19 Attorney for Plaintiffs and Counterclaim Defendant

20 Dated: May 9, 2012

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21 /s/Andy R. Camacho
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25 Attorneys for the United States of America

26 IT IS SO ORDERED.

27 
 28 UNITED STATES MAGISTRATE JUDGE
 DATED: ____ 5-10-2012 ____

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the foregoing **JOINT STATUS REPORT** has been made this 9th day of May, 2012, by electronically transmitting via the Court's CM/ECF system to the following:

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